GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:9
ANSWERED ON:18.07.2016
Exemption to Private Oil Companies
Lokhande Shri Sadashiv Kisan

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government provides any exemption/rebates to the private companies engaged in the trade of petroleum products;
(b) if so, the details thereof and the reasons therefor;
(c) the extent of burden being borne by the Government/public exchequer on account of the said rebates/concessions; and
(d) the steps taken/proposed to be taken by the Government to balance out the said burden?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a) to (d): For Public Sector Oil Marketing Companies (OMCs), Government has approved the subsidy of Rs. 12 per litre for compensating under-recovery on sale of PDS Kerosene during financial year 2015-16. During financial year 2015-16, Public Sector OMCs have incurred an under-recovery of Rs. 11,496 crore out of which Rs. 10,245 crore (@ Rs. 12 per litre) was provided by the Government. As regard subsidized domestic LPG, the Government has launched Modified Direct Benefit Transfer on LPG (DBTL) scheme with effect from 1st January 2015. For financial year 2015-16, Government decided to provide a fixed fiscal subsidy of Rs.18 per kg under the Direct Benefit Transfer for Domestic LPG during April - October, 2015 and Rs.15 per kg for the period November, 2015 onwards. This, at present, covers the entire burden of DBTL subsidy on Domestic LPG. Total DBTL Subsidy claim of Rs. 16,056 crore was paid to Public Sector OMCs during financial year 2015-16. However, no subsidy on this account is being provided to private companies.
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